

**SECRET**

Copy No. 406

## **BIWEEKLY REPORT**

# **SINO-SOVIET BLOC ECONOMIC ACTIVITIES IN UNDERDEVELOPED AREAS**

**EIC-WGR-1/6**

**30 April 1956**

**PREPARED BY THE WORKING GROUP  
ON SINO-SOVIET BLOC ECONOMIC ACTIVITIES  
IN UNDERDEVELOPED AREAS**

**ECONOMIC INTELLIGENCE COMMITTEE**

**SECRET**

W A R N I N G

THIS MATERIAL CONTAINS INFORMATION AFFECT-  
ING THE NATIONAL DEFENSE OF THE UNITED STATES  
WITHIN THE MEANING OF THE ESPIONAGE LAWS,  
TITLE 18, USC, SECTIONS 793 AND 794, THE TRANSMIS-  
SION OR REVELATION OF WHICH IN ANY MANNER TO  
AN UNAUTHORIZED PERSON IS PROHIBITED BY LAW.

S-E-C-R-E-T

CONTENTS

	<u>Page</u>
I. Summary of Events, 10 - 23 April 1956 . . . . .	1
II. Sino-Soviet Bloc . . . . .	2
A. New Soviet Tactics at a Session of ECE . . . . .	2
B. International Trade Fairs . . . . .	4
III. South and Southeast Asia . . . . .	5
A. India . . . . .	5
1. Polish Trade Agreement . . . . .	5
2. Bulgarian Trade Agreement . . . . .	5
B. Cambodia - Communist China . . . . .	6
IV. Middle East and Africa . . . . .	6
A. Egypt . . . . .	6
1. Resales of Cotton . . . . .	6
2. Soviet Barter Agreement . . . . .	7
B. Sudan . . . . .	7
1. Soviet Technical Assistance . . . . .	7
2. Sino-Sudanese Trade . . . . .	8
C. Iran-Polish Agreement . . . . .	8
D. Soviet Tanker Chartered to Carry Aruba Oil to Israel . . . . .	9
E. Soviet Arms Offer to Lebanon . . . . .	9

S-E-C-R-E-T

	<u>Page</u>
V. Latin America . . . . .	10
A. East Germany - Chile . . . . .	10
B. Czechoslovakia - Paraguay . . . . .	11

S-E-C-R-E-T

S-E-C-R-E-T

SINO-SOVIET BLOC ECONOMIC ACTIVITIES  
IN UNDERDEVELOPED AREAS\*

I. Summary of Events, 10 - 23 April 1956.

Sino-Soviet Bloc efforts to expand economic relations with underdeveloped areas in the Free World during the period from 10 to 23 April 1956 were concentrated largely in the negotiation of trade agreements. An additional tactic of Bloc policy that was significant, although not concerning an underdeveloped area, was the Soviet offer to aid Western Europe which was voiced at a session of the United Nations Economic Commission for Europe (ECE) on 9 April.

The attempt to use the ECE as a means of disrupting current international agreements included an implicit offer to supply coal and petroleum to Western European countries, a resolution to expand economic cooperation on an all-European basis, and a proposal to establish a special committee to study peaceful uses of atomic energy.

The implementation of the recently reported trade agreement between Poland and India underlines the sharply increased trade between these countries wherein Indian imports from Poland have increased about tenfold in 2 years. Also in South and Southeast Asia, a trade and payments agreement was signed between Communist China and Cambodia on 24 April.

In the Near East the new Soviet-Egyptian barter agreement, signed on 17 April, was concluded despite the inability of the Egyptians to obtain assurances from Czechoslovakia that Egyptian cotton purchased by the Bloc would not be resold in the West. The Egyptian government

---

\* Although the main emphasis of the Biweekly is on economic activities of the Sino-Soviet Bloc in underdeveloped areas of the Free World, significant Bloc activities of this nature in areas not considered underdeveloped also will be discussed.

S-E-C-R-E-T

S-E-C-R-E-T

apparently is not too disturbed by the resale of cotton, because the export of cotton to the Bloc has jumped from 10 percent of total exports during 1953-54 to an expected 33 percent during 1955-56.

Other Sino-Soviet Bloc economic activities in the Near East and Africa during the period included a reported offer of technical assistance by the USSR to the Sudan and further trade talks between Communist China and the Sudan, the signing of a trade agreement between Poland and Iran on 16 April, a Soviet offer to supply arms to Lebanon, and the reported chartering by Israel of a Soviet oil tanker to carry fuel oil from Venezuela to Israel.

In Latin America an East German trade delegation established a permanent office in Santiago, Chile. The delegation was in Chile to discuss the implementation of a barter agreement previously concluded between the two countries. In addition, equipment for a flour mill was shipped to Paraguay by Czechoslovakia, a transaction presumably within the framework of the trade agreement signed between the two countries in October 1953.

25X1

- 2 -

S-E-C-R-E-T

25X1

Approved For Release 2005/08/22 : CIA-RDP92B01090R000700010006-4

Next 9 Page(s) In Document Exempt

Approved For Release 2005/08/22 : CIA-RDP92B01090R000700010006-4